

ENROLLED ORDINANCE 160-100

REPEAL AND RECREATE WAUKESHA COUNTY CODE OF ORDINANCES, CHAPTER SEVEN, TO CLARIFY MANAGEMENT OF INVESTMENT RELATED RISKS

WHEREAS the Governmental Accounting Standards Board (GASB) has adopted Statement No. 40, related to Deposit and Investment Risk Disclosures, and

WHEREAS, GASB Statement No. 40 will require the County to disclose the means by which it manages various investment related risks in the footnotes to its Comprehensive Annual Financial Report (CAFR), and

WHEREAS a review of GASB Statement No. 40 has led to the desire to clarify the management of custodial credit and interest rate risks, so that they may be included in the required disclosure, and

WHEREAS, custodial credit risk is defined as the risk that, in the event of the failure of an institution holding the County's investments, the County would be unable to recover its investments, and

WHEREAS, interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair market value of the County's investments, and

WHEREAS, the County's preferred method of measuring interest rate risk is duration, which is defined as the weighted average of the expected principal and interest cash flows for an investment, expressed in years.

THE COUNTY BOARD OF SUPERVISORS OF THE COUNTY OF WAUKESHA DOES ORDAIN:

SECTION 1. Section 7-68 (a) of the Waukesha County Code be repealed and recreated to read:

Investment Advisor Selection Process. A competitive proposal process shall be conducted before selecting an investment advisor(s). Each investment advisor will be assigned a mutually agreed upon performance benchmark, based upon their management philosophy and portfolio composition. The performance benchmark may be a nationally recognized index or combination of multiple indexes, or a target return that would be a certain level above or below that of another investment, such as in relation to the Local Government Investment Pool or the Federal Reserve Funds Rate. In order to manage interest rate risk, the investment advisor will be required to keep the duration of Waukesha County's portfolio, which is defined as the present value of the lifetime cash flows of Waukesha County's investments, in close proximity to the assigned benchmark or less if economic conditions merit.

SECTION 2. Section 7-70 (d) of the Waukesha County Code is created to read:

Third Party Custodian. For portfolios with outside investment advisors, the County will use an independent third-party custodian, in order to segregate the functions of choosing investments from physical custody and record-keeping. The custodian shall keep possession of all funds and securities; collect income and the proceeds of sales, maturities and redemptions; transact purchases; and

distribute funds as directed by the County. The custodian will also provide the Department of Administration with a monthly report of all account transactions.


SECTION 3. This ordinance shall be effective upon approval and publication.

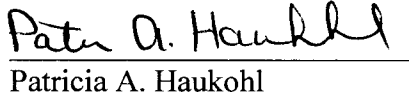
SECTION 4. The provisions of this ordinance shall be included and incorporated in the Code of Ordinances of the County of Waukesha, Wisconsin, as an addition or amendment thereto and shall be appropriately renumbered to conform to the numbering system contained therein.

SECTION 5. Any code section or part of a section in conflict with this ordinance is hereby repealed and declared null and void and of no effect.

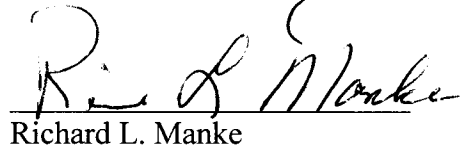
REPEAL AND RECREATE WAUKESHA COUNTY CODE OF ORDINANCES, CHAPTER
SEVEN, TO CLARIFY MANAGEMENT OF INVESTMENT RELATED RISKS

Presented by:
Executive Committee


James T. Dwyer, Chair

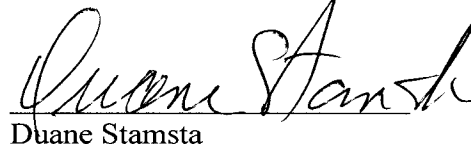

Patricia A. Haukohl


Walter L. Kolb

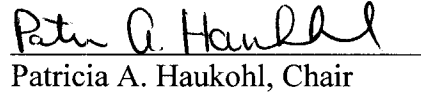

Richard L. Manke

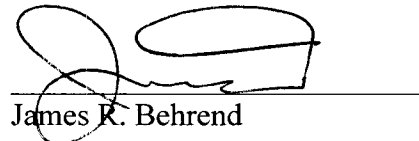

William A. Mitchell

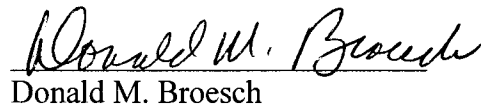

Duane E. Paulson

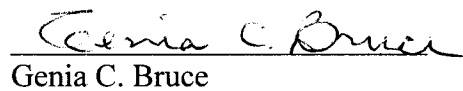

Duane Stamsta

Approved by:
Finance Committee

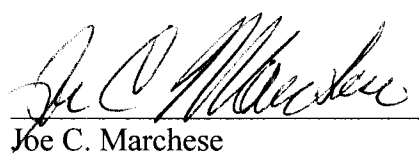

Patricia A. Haukohl, Chair



James R. Behrend


Donald M. Broesch

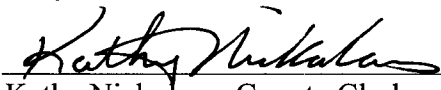

Genia C. Bruce


Kenneth C. Herro


Joe C. Marchese

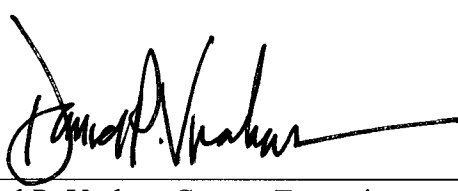

Bonnie J. Morris

The foregoing legislation adopted by the County Board of Supervisors of Waukesha County, Wisconsin, was presented to the County Executive on:

Date: 1/27/06, 
Kathy Nickolaus, County Clerk

The foregoing legislation adopted by the County Board of Supervisors of Waukesha County, Wisconsin, is hereby:

Approved: ☒
Vetoed: ☐

Date: 1/27/06, 
Daniel P. Vrakas, County Executive

WAUKESHA COUNTY BOARD OF SUPERVISORS

V

DATE-01/24/06

(ORD) NUMBER-1600104

1 K. HERRO.....AYE
3 D. STAMSTA.....AYE
5 J. MARCHESE.....AYE
7 J. JESKEWITZ.....AYE
9 P. HAUKOHL.....AYE
11 K. HARENDA.....AYE
13 J. MORRIS.....AYE
15 D. SWAN.....AYE
17 J. BEHREND.....AYE
19 W. MITCHELL.....AYE
21 W. KOLB.....
23 J. TORTOMASI.....AYE
25 K. CUMMINGS.....AYE
27 D. PAULSON.....AYE
29 T. BULLERMANN.....AYE
31 V. STROUD.....
33 D. PAVELKO.....AYE
35 C. SEITZ.....AYE

2 R. THELEN.....AYE
4 R. HUTTON.....AYE
6 D. BROESCH.....AYE
8 J. DWYER.....AYE
10 S. WOLFF.....AYE
12 B. RONCKE.....AYE
14 A. KALLIN.....AYE
16 R. MANKE.....AYE
18 B. MORRIS.....AYE
20 M. KIPP.....AYE
22 G. BRUCE.....AYE
24 B. KRAMER.....AYE
26 S. KLEIN.....AYE
28 P. JASKE.....AYE
30 K. NILSON.....AYE
32 P. GUNDRUM.....AYE
34 R. SINGERT.....NAY

TOTAL AYES-32

TOTAL NAYS-01

CARRIED X

DEFEATED

UNANIMOUS

TOTAL VOTES-33